

Accent Flooring

P.O. Box 972
Orland, CA 95963
(530) 865-6411

Joseph (Jody) Baugher
Owner/Contractor
License #780798

October 6, 2003

Olde Boards
Richard - Marshall, Inc.
12520 Wilkie Avenue
Hawthorne, CA 90250
(800) 689-5981

Dear Richard or whom it may concern,

In November of 2002, while installing a 1,150 square foot Olde Boards job at William Lyons Homes in Hercules, Ca, a very strong storm with hard rains and gale force winds hit. Around 6:00pm we noticed water squirting up between freshly installed boards in the living room. Upon inspection we found four leaks in the new \$900,000 model home and a very large and growing puddle of water under the newly laid floor.

The next day I phoned Rick Southern at Olde Boards and under his suggestion I tried to tear up some boards that were saturated with water and none of them would move. Olde Boards adhesive was used for the install and I later discovered that I used a trowel that was much smaller than recommended on the adhesive container to apply the adhesive. The adhesive had set up overnight while sitting in a literal puddle of water.

A demolition team from Campbell's Carpets came in to tear up about 180 square feet of cupped boards as Lyon Homes did not want to wait for cupping to go down to show the model home. The demolition team said that they could easily tear up the damaged area with a Sinclair Turbo Stripper, but in the process they broke two of them, and it took three men two days to do the job.

Enclosed is a scrap of the torn up floor with 1/2" concrete still on it!

Sincerely,



Joseph R. Baugher
Accent Flooring

EXHIBIT C